

AMENDED IN SENATE APRIL 30, 2007

**SENATE BILL**

**No. 723**

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**Introduced by Senator Yee**

February 23, 2007

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An act to add Section 11778.5 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 723, as amended, Yee. State Compensation Insurance Fund: health insurance. *system improvement study.*

Existing law establishes the State Compensation Insurance Fund, and authorizes the fund to transact workers' compensation insurance to the same extent as any other insurer, and subject to the powers and authority of the Insurance Commissioner.

This bill would, ~~in addition, authorize the fund to transact group health insurance with employers insured by the fund for workers' compensation to the same extent as any other insurer, and subject to the powers and authority of the Insurance Commissioner~~ *authorize the Commission on Health and Safety and Workers' Compensation to conduct a study on the feasibility of a system of delivery of medical treatment to sick or disabled employees without regard to the cause of the sickness or disability, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~ *no*. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 11778.5 is added to the Insurance Code,  
2     to read:

~~11778.5. Notwithstanding any other provision of law, the fund may transact group health insurance, as defined in Section 106, with employers who are insured by the fund against liability for compensation. The fund shall be subject to the powers and authority of the commissioner to the same extent as any other insurer transacting group health insurance. For purposes of Section 700, the fund shall be deemed admitted to transact this class of insurance.~~

*11778.5. (a) It is the policy of the Legislature to improve the workers' compensation and nonoccupational disability health care delivery systems by promoting prompt and efficient delivery of high quality medical care.*

*(b) In furtherance of this policy it is the intent of the Legislature to determine whether it is feasible to establish a seamless health system providing medical care to sick or disabled employees without regard to the cause of the disability.*

*(c) In furtherance of this objective the Commission on Health and Safety and Workers' Compensation may conduct a study, in consultation with the State Compensation Fund, and report to the Legislature on or before June 30, 2008, on the feasibility of a system of delivery of medical treatment to sick or disabled employees without regard to the cause of the sickness or disability.*

*(d) The study may include, but not be limited to, potential savings, obstacles to implementation, possible interference with the primary mission of the participating organizations, and practicality of the system.*